

**Quebec
Manitou
Mines
Limited**

annual report – 1973

QUEBEC MANITOU MINES LIMITED

OFFICERS

D. L. Marcus President
M. R. Goldhar Vice-President & Treasurer
I. Singer Secretary

DIRECTORS

G. R. Cameron Malartic, Quebec
H. E. Clark Montreal, Quebec
M. R. Goldhar Toronto, Ontario
D. L. Marcus Ottawa, Ontario
F. J. McDonald Ottawa, Ontario
G. Moreau Montreal, Quebec
R. G. Muscroft Val d'Or, Quebec

AUDITORS

Deloitte, Haskins & Sells Ottawa, Ontario

BANKERS

Canadian Imperial
Bank of Commerce Ottawa, Ontario

REGISTRAR AND TRANSFER AGENT

Canada Permanent Trust Company Toronto, Ontario

SHARE LISTING

Toronto Stock Exchange Toronto, Ontario

HEAD OFFICE

Suite 2005, 130 Albert Street Ottawa, Ontario

ANNUAL MEETING

11:00 A.M. — 8 May, 1974

Tudor Room, Chateau Laurier Hotel, Ottawa

QUEBEC MANITOU MINES LIMITED

REPORT OF THE DIRECTORS

To the Shareholders:

Your directors submit herewith their report together with the audited financial statements of your Company for the year ended 31 December 1973.

The market value of the Company's holding of 940,927 common shares of Manitou-Barvue Mines Limited has increased significantly during the past year as a result of the improved outlook and profitability of that Company.

The Company has optioned a mining claim of 96 acres in Lichfield Township, Quebec, on which a molybdenite showing occurs. A geochemical survey has been carried out which outlined an anomalous area of about 300 feet by 1,600 feet. Further work on this property is planned during the summer months.

Results of our participation with Manitou-Barvue Mines Limited in the stream sediment sampling carried out on the 64 Cabonga Reservoir area claims outlined two distinct zones of anomalous values — a copper nickel zone and a copper zone. It is intended that both anomalies be followed up by further work.

The Company recently arranged for the sale of 400,000 treasury shares, by way of private placement, to net the Company the sum of \$100,000.

On behalf of the Board of Directors

D. L. MARCUS,
President.

Ottawa, Canada,
10 April, 1974.

QUEBEC MANITO

(Under The Business

BALANCE SHEET AS

(with 1972 fig

ASSETS

1973

CURRENT ASSETS:

Cash	\$ 1,6
Account receivable	—
Investments in marketable securities — at cost (Note 1)	319,8
Other investments — at nominal value	
Total current assets	321,5

OTHER ASSETS — at cost:

Furniture and fixtures	1
Mining properties and rights (Note 2)	193,9
Deferred exploration and development expenditures (note 3)	567,0
TOTAL	\$1,082,6

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES:

Accrued charges	\$ 5
Unclaimed dividends	6
Due to affiliated company	13,0
Total current liabilities	14,2

SHAREHOLDERS' EQUITY:

CAPITAL STOCK:

Authorized:

5,000,000 shares without par value

Issued:

3,966,000 shares

Retained earnings

Total shareholders' equity

TOTAL

Approved by the Board:

D. L. MARCUS, Director.

M. R. GOLDHAR, Director.

The accompanying notes are an integral part of the financial statements.

MINES LIMITED

(In accordance with the Companies Act, Ontario)

DECEMBER 31, 1973

(For comparison)

1972

\$ 57,829
241
267,745
1
325,816

100
193,268
561,197
\$1,080,381

\$ 515
641
—
1,156

822,838
256,387
1,079,225
\$1,080,381

AUDITORS' REPORT

To the Shareholders of
Quebec Manitou Mines Limited:

We have examined the balance sheet of Quebec Manitou Mines Limited as at December 31, 1973 and the statements of loss and retained earnings, source and application of funds, and deferred exploration and development expenditures for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at December 31, 1973 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Deloitte, Haskins & Sells
Chartered Accountants.

Ottawa, Canada,
January 15, 1974.

QUEBEC MANITOU MINES LIMITED

STATEMENT OF LOSS AND RETAINED EARNINGS

1973

1972

For the year ended December 31, 1973
(with 1972 figures for comparison)

INCOME:

Interest	\$ 1,016	\$ 1,578
Dividends	—	120
Net gains on disposal of investments	—	20,574
Total income	<u>1,016</u>	<u>22,272</u>

ADMINISTRATIVE AND GENERAL EXPENSES:

Rent, office services and supplies	2,558	2,816
Annual meeting expense	1,685	1,673
Transfer agents' fees	1,662	1,507
Legal and audit	904	675
Salaries	4,200	12,600
Travelling	136	82
Directors' fees	250	350
Interest paid	7	345
Miscellaneous expenses	380	676
Total administrative and general expenses	<u>11,782</u>	<u>20,724</u>

NET (LOSS) INCOME FOR THE YEAR	(10,766)	1,548
RETAINED EARNINGS AT BEGINNING OF THE YEAR	<u>256,387</u>	<u>254,839</u>
RETAINED EARNINGS AT END OF THE YEAR	<u>\$ 245,621</u>	<u>\$ 256,387</u>

The accompanying notes are an integral part of the financial statements.

QUEBEC MANITOU MINES LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

1973

1972

For the year ended December 31, 1973
(with 1972 figures for comparison)

SOURCE OF FUNDS:

Interest received	\$ 1,016	\$ 1,578
Dividends received	—	120
Gain on sale of investments	—	20,574
Total source of funds	<u>1,016</u>	<u>22,272</u>

APPLICATION OF FUNDS:

Administrative and general expense	11,782	20,724
Property option payments (net)	701	1,000
Exploration and development	5,894	—
Total application of funds	<u>18,377</u>	<u>21,724</u>
(DECREASE) INCREASE IN WORKING CAPITAL	(17,361)	548
WORKING CAPITAL AT BEGINNING OF THE YEAR	324,660	324,112
WORKING CAPITAL AT END OF THE YEAR	<u>\$ 307,299</u>	<u>\$ 324,660</u>

STATEMENT OF DEFERRED EXPLORATION AND DEVELOPMENT EXPENDITURES

1973

1972

For the year ended December 31, 1973
(with 1972 figures for comparison)

BALANCE AT BEGINNING OF THE YEAR	\$ 561,197	\$ 561,197
CURRENT YEAR'S EXPENDITURE	5,894	—
BALANCE AT END OF THE YEAR	<u>\$ 567,091</u>	<u>\$ 561,197</u>

The accompanying notes are an integral part of the financial statements.

QUEBEC MANITOU MINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1973

1. INVESTMENTS IN MARKETABLE SECURITIES

Investments include 940,927 shares of Manitou-Barvue Mines Limited (which represents a 24.8% interest) at a cost of \$311,941 and with a quoted market value at December 31, 1973 of \$611,602 (1972 — 494,452 shares which represents a 13.1% interest, with a quoted market value of \$237,337). Because of the number of shares involved, the quoted market value of the investment in Manitou-Barvue Mines Limited is not necessarily indicative of the amount which would be realized if this investment were sold.

2. MINING PROPERTIES AND RIGHTS

The company holds the following mining properties and rights:

- (a) A fixed 17½% non-assessable interest is held in the fifty-five mining claims in Langmuir Township, Ontario, valued at a net cost of \$18,464.
- (b) Twenty-four mining claims in Bourlamaque Township, Quebec, carried at costs to date, which do not necessarily reflect present or future values, which may be more or less than the amount shown of \$173,804. In consideration of the issue of 40,000 shares of Manitou-Barvue Mines Limited to the company, an option was granted to Manitou-Barvue Mines Limited until June 30, 1976, which can be extended under certain conditions to June 30, 1981, to develop and place into production these Bourlamaque Township mining claims at no additional obligation or expense to Quebec Manitou Mines Limited. Under the option agreement, after Manitou-Barvue Mines Limited is reimbursed for all funds expended by it to bring the property into production, Manitou-Barvue Mines Limited is required to issue to the company an additional 60,000 shares of Manitou-Barvue Mines Limited. When Manitou-Barvue Mines Limited has received an additional sum of \$100,000, further revenue and interests are to be shared as to 25% by Quebec Manitou Mines Limited and as to 75% by Manitou-Barvue Mines Limited.
- (c) A 40% interest in an option on 64 mining claims in the Cabonga District, Quebec. The option expires on November 1, 1975. The remaining 60% interest is held by Manitou-Barvue Mines Limited. The companies have agreed to expend up to \$40,000 to explore these claims. The company's share of these expenditures is \$16,000.
- (d) An option to explore and develop an area of 96 acres in Lichfield Township, Quebec. The option expires on November 8, 1974, but can be extended for two further periods to May 8, 1975 and November 8, 1975 on the payment of \$1,000 for each extension. Under this agreement, the company has an option to acquire a 100% interest in the mining claim upon payment of \$25,000. This option expires at the time the exploration option is terminated.

3. DEFERRED EXPLORATION AND DEVELOPMENT EXPENDITURES

These costs relate to the mining properties described in Note 2, above.

4. LOSSES CARRIED FORWARD

The company has available losses carried forward and deferred exploration and development expenditures of approximately \$1,160,000.

5. REMUNERATION PAID TO DIRECTORS AND SENIOR OFFICERS

The total remuneration paid to directors and senior officers (as defined by The Business Corporations Act, Ontario) for the year ended December 31, 1973 was \$4,450 (1972 — \$12,950).

